GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:6381
ANSWERED ON:07.05.2003
BPO FIRMS IN I.T. SECTOR
S. SAIDUZZAMAN

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

:-

(a) whether the Business Process Outsourcing (BPO) firms are alsooperating in the areas of I.T. Sector as reported in the Economic Times dated March 11, 2003;

(b) if so, the facts thereof; and

(c) the steps proposed to be taken to avoid competition in this field?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY(SU THIRUNAVUKKARASAR)

(a), (b) and (c): Both IT Service and ITenabled sector are covered under STP scheme. Depending on the market conditionsand technical expertise a Software Exporting unit may operate/move to one of the other or both the sectors. The competition amongst IT Service and ITenabled sector would be according to the market drivers in North America, European and other world markets. Export from both these sectors are growing in the face of global competition and no need is felt to put any restriction on free competition amongst these units.